



**AUDIT AND RISK COMMITTEE MEETING OF
THE HUME CITY COUNCIL**

FRIDAY, 24 NOVEMBER 2023

**MAYGAR ROOM, HUME CITY COUNCIL
1079 PASCOE VALE ROAD,
BROADMEADOWS**

CONFIRMED - 1 March 2024.

HUME CITY COUNCIL

Minutes of the

AUDIT AND RISK COMMITTEE MEETING OF THE HUME CITY COUNCIL

held on Friday, 24 November 2023

at 9:00AM

at the Maygar Room, Hume City Council, 1079 Pascoe Vale Road, Broadmeadows

Present:	a: Committee Members	Ms Jenny Johanson Cr Naim Kurt Cr Jarrod Bell Mr Shannon Buckley Mr Bruce Potgieter	Chairperson
	b: Officers	Ms Sheena Frost Mr Fadi Srouf Mr Joel Kimber Mr Robert Costa Mr Chris Bradbury Ms Kendrea Pope Mr Brendan Clifford Ms Sasha Lord Mr John Thomas Ms Fiona Shanks Mr Mark Doyle	Chief Executive Officer Chief Financial Officer Acting Manager Governance Manager Finance Senior Integrity Officer Governance Consultant Chief Information Officer Program Director Digital Transformation Coordinator Risk Management Director People & Culture Manager City Parks and Open Spaces
	c: Internal Auditors	Mr Peter Faull Mr Mark Holloway Mr Kundai Mtsambiwa (via phone)	Coordinator Governance HLB Mann Judd HLB Mann Judd
	d. External Auditors	Mr Jung Yau	Victorian Auditor General's Office
	e: Observer	Cr Jodi Jackson	

ORDER OF BUSINESS

1. WELCOME AND ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Chairperson, Jenny Johanson read the following:

Hume City Council would like to acknowledge that we are meeting on Country for which the members and Elders of the Wurundjeri Woi-wurrung people and their forebears have been custodians for many thousands of years. The Wurundjeri Woi-wurrung, which includes the Gunung-Willam-Balluk clan, are the Traditional Custodians of this land. Hume City Council would also like to pay its respects to their Elders, past and present, and to all Aboriginal and Torres Strait Islander peoples who may be here today.

The Chairperson welcomed the attendees to the meeting and acknowledged individuals attending an Audit and Risk Committee meeting at Hume City Council for the first time.

MINUTES**2. APOLOGIES**

Nil

3. DISCLOSURE OF INTEREST

3.1 The Chairperson drew the attention of the Committee Members to the provisions of the *Local Government Act 2020* and Council's Governance Rules in relation to the disclosure of conflicts of interest. Committee Members' are to disclose any conflict of interest immediately before consideration or discussion of the relevant item. Committee Members are then required to leave the meeting during discussion and not vote on the relevant item.

3.2 All people present at the meeting were required to advise the committee of any matter that the committee should be aware of.

No person present declared a conflict of interest, nor advised that there was any matter that should be brought to the attention of the Committee.

4. AUDIT AND RISK COMMITTEE WORKPLAN

The Chairperson advised the committee that the Workplan will be used to set the agendas for future meetings, and that the Proposed Agenda Outline report would no longer be required.

5. CONFIRMATION OF COMMITTEE MINUTES

Minutes of the Audit and Risk Committee Meeting of 28 September 2023, including Confidential Minutes.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

THAT the Minutes of the Audit and Risk Committee Meeting of 28 September 2023, including Confidential Minutes, be confirmed.

CARRIED

6. ACTIONS ARISING FROM THE MINUTES

Joel Kimber, Acting Manager Governance, provided the committee with an overview of the Actions Arising report and advised that a new format of the Business Undertaken report will be utilised starting at the next meeting.

7. REPORTS TAKEN AS READ

The Chairperson advised that the following reports were taken as read, unless there were any items of discussion for the reports:

9.11 Integrity Report - November 2023

9.13 Express Yourself! Employee Survey Results September 2023

9.16 OH&S Act 2004 - Improvement Notice Report - November 2023

9.18 Reimbursed Out-of-pocket Expenses Paid to Councillors - 1 July to 30 September 2023

9.19 Proposed Agenda for February 2024 Audit and Risk Committee meeting

9. OFFICERS' REPORTS

Report No.	Report	Page in Agenda
9.1	Review of Quarterly Financial Reports - September 2023	4

Robert Costa, Manager Finance provided the Committee with an overview of the report advising that rate arrears is now being covered, and of the new payment arrangements introduced to assist rate payers.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

That the Audit and Risk Committee note the report.

CARRIED

Report No.	Report	Page in Agenda
9.4	Internal Audit Strategic Plan Status Report - November 2023	8

Mark Holloway, HLB Mann Judd provided the Committee with an overview of the status report advising the 2022/2023 plan is completed. Discussion was had on the extreme/high risk observations for BCP and Risk Management Framework.

Actions:

1. The Chairperson asked for monitoring of high and extreme risks. Reporting on milestones and Internal Audit's view of keeping on track.
2. Reports to include an extra column indicating Audit and Risk Committee meeting dates.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

2.1 That the Audit and Risk Committee note the Internal Audit Strategy Update for November 2023.

CARRIED

Mr Kundai Mtsambiwa, HLB Mann Judd joined the meeting via mobile, the time being 10:20am.

Ms Fiona Shanks, Chief People Officer, and Mr Mark Doyle, Manager City Parks and Open Spaces, joined the meeting, the time being 10:20am.

Report No.	Report	Page in Agenda
9.5	Internal Audit Scopes - Review of Parks, Gardens & Open Space; Review of Recruitment, Selection & Onboarding; Follow-Up Review	9

Mark Holloway, HLB Mann Judd provided an overview on the Internal Audit Scope - Follow-Up Review, advising four actions not completed, is draft at the moment, a good result an active focus actioning recommendations.

Kundai Mtsambiwa, HLB Mann Judd, provided an overview on the key highlights of the Internal Audit Scopes for Review of Parks, Gardens & Open Space, and Review of Recruitment, Selection & Onboarding.

Mark Doyle, Manager City Parks and Open Spaces, and Fiona Shanks, Chief People Officer provided responses to the Committee members' enquiries.

Actions:

1. Committee members requested that updates are provided in between reviews. Mark Holloway advised he will provide updates in their future reports of where actions are at.
2. The Committee request that positive controls be included in reports and that all audits comment on the broader strategic controls in the context of transition.

Moved Cr Jarrod Bell, **Seconded** Mr Shannon Buckley

2.1 That the Audit and Risk Committee notes the Reports.

2.2 The outstanding recommendations be included in the Management Status Report until completed.

CARRIED

Mr Mark Doyle, Manager City Parks and Open Spaces, left the meeting, the time being 10:38am.

Ms Fiona Shanks, Chief People Officer and Mr Kundai Mtsambiwa, HLB Mann Judd, left the meeting, the time being 10:50am.

Mr Jung H. Yau, Victorian Auditor General's Office joined the meeting, the time being 9:30am

Report No.	Report	Page in Agenda
9.2	2022/23 Closing Report and Final Management Letter	5

Jung H. Yau provided the Committee with an overview of the Closing Report and Final Management Letter.

- Discussion was had in relation to the IT findings of payroll system Chris21 being phased out when the new systems are in place after this year. The Committee noted they are comfortable with the interim controls in place with Chris21 until the new system is in place.

Actions:

1. At the May 2024 meeting, Management and Internal Audit to provide a clear update on the VAGO update. A verbal overview to be provided at the February 2024.
- Discussion was had in relation on forecasting budget, noting there is no clarity about who is making decisions. The Chief Financial Officer advised if we know earlier, and after community consultations, the budget can be adjusted accordingly.
- The Chairperson enquired regarding the timing of next year's audit being in an election year/caretaker mode. The timeframe will change for the Audit to be carried out and should lock in discussions for timing of the preparations. Jung H. Yau noted that Council can sign during the caretaker period, one day before 26 October 2024.

Council's preference for the deadline is before 24 September 2024, which is when the caretaker period commences. VAGO to work on preparing closing report and final work by then.

Moved Mr Bruce Potgieter, **Seconded** Mr Shannon Buckley

That the Audit and Risk Committee notes the Closing Report and Final Management Letter.

CARRIED

Report No.	Report	Page in Agenda
9.3	VAGO Update	7

Jung H. Yau provided the Committee with an overview of the report.

Moved Mr Bruce Potgieter, **Seconded** Mr Shannon Buckley

That the Audit and Risk Committee note the Report.

CARRIED

Mr Robert Costa, Manager Finance, left the meeting, the time being 9:49am

Report No.	Report	Page in Agenda
9.6	Recent Reports and Publications - November 2023	10

Mark Holloway, HLB Mann Judd provided the Committee with an overview of the report, detailing an overview of selected relevant items.

Action:

That self-assessments be undertaken against applicable reports and the outcomes reported to the Committee.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

That the Audit and Risk Committee note the Report.

CARRIED

Mr Brendan Clifford, Chief Information Officer, joined the meeting, the time being 9:49am.

Report No.	Report	Page in Agenda
9.7	Cybersecurity Update	11

Brendan Clifford provided an overview of the report detailing the recent Cyber Incident, noting there is a Security Awareness Program in place, and invited discussion from the Committee.

The Committee noted the quality of the report, and that the Committee is aware of the long term program of work required to continue to monitor.

Action:

Consideration to be given to how the committee can monitor key risks and other indicators over the next 3 years.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

That the Audit and Risk Committee notes the report.

CARRIED

Mr Brendan Clifford, Chief Information Officer, left the meeting, the time being 10:07am.

Ms Sasha Lord, Program Director Digital Transformation, joined the meeting, the time being 10:07am.

Report No.	Report	Page in Agenda
9.8	Digital Transformation Program Update - November 2023	15

Sasha Lord, Program Director Digital Transformation introduced herself to the Committee, providing an overview of the report, and of the current state of the program, inviting discussion from the Committee.

Action:

The Committee requested future reporting providing progress updates on the transformation program so that the Committee can monitor the program. The report can be a high-level summary, it does not have to be complex.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

3.1 That the Audit and Risk Committee notes the report and supports Council's strategy in addressing key areas highlighted in Landell's independent assessment, affirming HCC's commitment to responsible governance.

CARRIED

Ms Sasha Lord, Program Director Digital Transformation, left the meeting, the time being 10:20am.

Mr John Thomas, Coordinator Risk Management, joined the meeting, the time being 10:50am

Report No.	Report	Page in Agenda
9.9	Quarterly Risk Update	21

John Thomas provided the Committee with an overview of the report noting:

- Kendrea Pope, Governance Consultant is developing Council's Risk Management Framework and Strategic Risk Register that is going to ELT for approval in December 2023;
- BCP has been reviewed by ELT, a consultant carried out a desktop exercise on 22 November 2023, and the consultant will provide comments on the outcomes next week.
- The BCP will be reported to the Audit and Risk Committee at the next meeting.

Action:

- For inclusion in the risk register, the Committee requested a more strategic focus on managing all of the risks at Council via a broader risk management program over the next 2 to 3 years.

Moved Mr Shannon Buckley, **Seconded** Cr Jarrod Bell

2.1 That the Audit and Risk Committee note the Report.

CARRIED

Mr John Thomas, Coordinator Risk Management, left the meeting, the time being 10:58am

Report No.	Report	Page in Agenda
9.10	Legislative Compliance and Ethics Program Joel Kimber, Acting Manager Governance provided the Committee with an overview of the report noting: <ul style="list-style-type: none"> • A session has been provided to Councillors on roles and responsibilities; • The Ethics Program will be initiated and provided to all Councillors in 2024; • The Senior Leadership Team (SLT) will be required to complete compliance forms; and • Maddocks will lead a forum for SLT next week, that will focus on gaps to close off. <p>Action:</p> <ul style="list-style-type: none"> • Council should consider legislative compliance software. The City of Kingston was suggested as a good example. <p>Moved Mr Shannon Buckley, Seconded Cr Jarrod Bell That the Audit and Risk Committee note the Report.</p>	22

CARRIED

Report No.	Report	Page in Agenda
9.11	Integrity Report - November 2023 Discussion was had on item 3.1.1 of the report regarding Councillor Conduct. The Committee acknowledged that this could have resulted as a risk to Council. REPORT TAKEN AS READ That the Audit and Risk Committee note the Report.	25

Report No.	Report	Page in Agenda
9.12	Annual Assessment of Performance Against Audit and Risk Committee Charter Joel Kimber provided an overview of the report, a copy of which will be tabled at the next available Council meeting. The Committee noted for the actions to be taken on board, particularly in regard to better supporting the Committee in its functions. Action: That there is a review of who the survey is sent to next year – suggested to include both Internal and External audit representatives.	29

Moved Cr Naim Kurt, **Seconded** Mr Bruce Potgieter

- 2.1 That the Audit and Risk Committee note the report.**
- 2.2 That this report be provided to Council's Chief Executive officer for tabling at the next available Council meeting in accordance with section 54(4)(b) of the Local Government Act 2020.**
- 2.3 The report reflects that the Audit and Risk Committee has some continuous improvement elements that they will work with management to undertake.**

CARRIED

Report No.	Report	Page in Agenda
9.13	Express Yourself! Employee Survey Results September 2023	31

REPORT TAKEN AS READ

That the Audit and Risk Committee note the Report.

Report No.	Report	Page in Agenda
9.14	Outcome of Child Safe Consultation Report - 2023 Update	33

Chris Bradbury provided an overview of the report noting:

- Council engaged an external provider to carry out the Audit of Council's compliance with the Victorian Child Safe Standards;
- A Project Officer has been appointed to address items and carry out the work; and
- A new procedure is being developed, and will be on website for public to report child safe incidents.

Moved Mr Shannon Buckley, **Seconded** Cr Jarrod Bell

That the Audit and Risk Committee notes the report.

CARRIED

Report No.	Report	Page in Agenda
9.15	Audit and Risk Committee Meeting Dates for 2024	36

Joel Kimber, Acting Manager Governance discussed the proposed meeting dates for 2024. The Committee agreed on the revised dates with the exception of 2.1.4 – Friday 20 September 2024, that will need to be moved back due to Council's Caretaker mode block out.

The proposed dates will be provided by the Chairperson.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

- 2.1 That the Audit and Risk Committee determines the following as meeting dates:**
 - 2.1.1 Friday, 1 March 2024**
 - 2.1.2 Friday, 31 May 2024**
 - 2.1.3 Friday, 23 August 2024**

- 2.1.4 Friday 20 September 2024 (2023/24 Financial Reports)
- 2.1.5 Friday, 29 November 2024
- 2.2 That the meetings be held at the Hume City Council offices, Broadmeadows or virtually commencing at 9:30am.
- 2.3 That an invitation be extended to Audit and Risk Committee members to attend the Council Briefing to be held on Monday 2 September 2024.
- 2.4 That the Audit and Risk Committee meeting schedule be placed on Council’s website.

CARRIED

Report No.	Report	Page in Agenda
9.16	OH&S Act 2004 - Improvement Notice Report - November 2023	38

REPORT TAKEN AS READ

That the report be received and noted.

Report No.	Report	Page in Agenda
9.17	Management Status Report November 2023 - Audits	40

Chris Bradbury provided an overview on the report noting:

- There are 53 audit items outstanding, with four actions having been closed since the previous Committee meeting.
- Cyber Security audit actions have been removed from the report and will be reported separately.
- The following number of actions being finalised between the meeting date and December 2023:
 - BCP is being finalised now, will go to ELT first and report to Council in February 2023.
 - Risk Management Framework will go to ELT on 18 December 2023.
 - Service Plan Framework scheduled for December 2023. Will push out to a date to be provided. Continuing activities with an external provider.
- Procurement document is confirmed and saved in TRIM. Project is underway with the Management Knowledge Team.
- Fleet Policy going to ELT 11 December 2023. Recommencing Depot meetings.

Action:

If a date is extended, the Committee asked what the process is for escalating that decision to ELT for them to decide on the appropriateness of the extension? Question taken on notice, to be reported to the next Committee meeting.

Moved Mr Shannon Buckley, **Seconded** Mr Bruce Potgieter

That the Audit and Risk Committee notes the management actions to date.

CARRIED

Report No.	Report	Page in Agenda
9.18	Reimbursed Out-of-pocket Expenses Paid to Councillors - 1 July to 30 September 2023 REPORT TAKEN AS READ That the Audit and Risk Committee note the report.	41

Report No.	Report	Page in Agenda
9.19	Proposed Agenda for February 2024 Audit and Risk Committee meeting Action: The Committee requested that Council’s long term financial plan is tabled at the next meeting. REPORT TAKEN AS READ That the Audit and Risk Committee note the report.	43

10. PRESENTATIONS - HUME CENTRAL

The Chief Executive Officer, Sheena Frost, provided a brief overview of the background of the project, advising that Rachel Dapiran, Director City Planning and Places will provide a high level update at the March 2024 Audit and Risk Committee meeting.

11. PULSE CHECK

The Committee members were asked for feedback on the meeting, the comments indicated the meeting was very well managed, the questions on notice and reports taken as read is very good and pre-empts questions being raised. Committee members were all happy with the volume and quality of the meeting papers in the agenda.

Future meetings to be included in the Council Calendar. (Peter Faull, Coordinator to address)

12. CLOSURE OF MEETING

The meeting closed at 12:00pm.

8. CHIEF EXECUTIVE OFFICER’S UPDATE/EMERGING ISSUES (No Report)

IN-CAMERA SESSION

The Chairperson asked the Council Officers to leave the meeting so that the Chief Executive Officer could provide the confidential update/emerging issues report to the Audit and Risk Committee.

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JENNY JOHANSON
CHAIRPERSON